

GSA

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GSA

U.S. General Services Administration

Creating a Successful Future at GSA

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2001 Annual Accountability Report



MANAGEMENT DISCUSSION AND ANALYSIS



While fulfilling the same mission in 2001 as it has for the past 51 years, today's GSA is as fundamentally different as the Internet-influenced information economy is different from the centralized industrial economy in which GSA was molded. Today, GSA works in different ways by:

- Outsourcing nearly 94 percent of its operational tasks through private contractors
- Vying for Federal business as a non-mandatory source of space, supplies, and services for Federal agencies
- Relying increasingly on reimbursements from other agencies for its funding, so that less than 1 percent of GSA's operating budget—\$188.6 million—is directly appropriated
- Downsizing to just over a third the size it was at its peak in 1971; the GSA workforce in FY 2001 was 29 percent lower than the 1993 level.

Some of these factors have worked to GSA's advantage; others present challenges. The agency's position as provider to Federal agencies makes it able to play a major role in E-Government. It is positioned to move many of its own functions online, e.g., GSA *Advantage!*[™], and to play a critical role in bringing the entire Federal Government into the information economy. GSA products, such as wireless technology, digital signature capability, smart cards and SmartPay cards, support E-Government. At the same time, other agencies have been authorized to develop and award Government-wide acquisition contracts (GWACs), which increases the pressure on GSA to perform well. Such developments make it extremely important for GSA to attend to its customers' needs and bring its underlying strengths and better prices to play in the Federal marketplace.

Management Issues

GSA continues to respond to several management issues. While some issues remain unresolved, GSA has made significant progress. The General Accounting Office (GAO), the GSA Office of the Inspector General (OIG) and the agency's outside auditors, PricewaterhouseCoopers, identified some of these issues. The following discussion addresses the major management issues facing the agency as of September 30, 2001.

Management of the GSA Federal Supply Service Distribution Centers

In July 1999, GSA began a process to transition its Government-owned and operated supply distribution network toward increased reliance on alliances with private companies. With the evolution of new acquisition and logistics tools within Government and the marketplace, GSA has positioned itself to capitalize on the increased capabilities of E-commerce systems. By Fall 2001, GSA had reduced its supply distribution sites from eight to two. The new distribution strategy increases responsiveness, breadth of items, and brand reliability of goods made available to Federal agencies.

Termination costs (severance and buyout) were calculated and accrued for \$7 million. One of the closing facilities, in Palmetto, Georgia, was covered under a long term leasing agreement and the net present value of future lease payments was accrued for \$26 million. Actual payments for the restructuring associates' costs will be incurred in FY 2002, and the payment for the accrued leasing agreement will be incurred over the remaining commitment period of the lease.

GSA Systems Security Development and Implementation

GSA relies on its automated information systems to perform its mission and manage its operations. The agency faces a number of security issues related to the control of existing systems and the replacement of a number of old systems.

An FY 1999 review of eight significant GSA financial management system applications disclosed weaknesses in the control and oversight systems relating to technological and physical access, access monitoring and follow up, security awareness, and information technology (IT) security program implementation and management oversight. As a result, GSA's systems remain susceptible to unauthorized access, modification or undue risk. A follow-up review during FY 2000 concluded that the control weaknesses had not been resolved. During FY 2001, GSA took the following major steps to correct these weaknesses:

- The development and funding of a new IT Security Center of Expertise
- The development and execution of an IT Security Action Plan

- The development and distribution of agency-wide IT security guidelines and procedures
- The development and implementation of procedures for performing vulnerability and risk assessments
- The monitoring of access attempts and security violations



GSA has positioned itself to capitalize on the increased capabilities of E-commerce systems and by Fall 2001, reduced its number of supply distribution sites from eight to two. The new strategy increases responsiveness, breadth of items, and brand reliability of goods made available to Federal agencies.

- The development and implementation of security awareness training for all users and systems administrators
- The monitoring and reporting of policies and guidelines for compliance by services, staff offices, and regions
- The development and implementation of guidelines for periodic review and updating of security policies and procedures by April 2002.

Another FY 1999 review of three GSA financial management systems (ITOMS, STAR, and FEDPAY) found a need for better controls over systems development and implementation processes to eliminate schedule delays and cost overruns, the need for frequent redesign, and difficulties sharing usable data between systems. The Office of the Chief Information Officer (CIO) has instituted a number of corrective actions to meet these challenges and ensure the integrity of all GSA-wide systems. These actions include establishing processes to monitor implementation of control objectives that support the IT security policy; developing and implementing procedures and processes that address, identify, analyze and

manage/track changes to a system; and providing a structural methodology for applying technical and administrative direction and surveillance throughout the life cycle.

Controls Over the Accuracy of Rent Data

PBS' FY 2001 data accuracy measure concentrated on correcting missing building, lease, and space assignment data in the STAR System. That effort positively affected the health of the Federal Buildings Fund. PBS' focus on continuous improvement in maintaining the accuracy and completeness of STAR data has led to the development of a second data accuracy measure. The new measure compares a random sample of STAR data with source occupancy agreements and lease contract documents. Updated baseline data will be provided in FY 2002 and performance targets will be set annually. The results of this measure will enable PBS to assess the effectiveness of its data accuracy efforts and aid in the development of future data-improvement initiatives.

Cash Flow in the Information Technology Fund

With the explosive business growth in the Government IT market, the IT Fund often shows a very low cash balance. This is in part the result of increased business volumes and the 30-to-60-day lag time between payments to contractors and cash receipts from customers.

The Department of Defense (DoD) continues to be GSA's most problematic client. Therefore, GSA established a joint solutions team in August 2000 to address billing issues and improve communications. Through this initiative, GSA reduced the number of chargeback billings and increased the number of electronic billings to DoD. Beginning in FY 2002, GSA will bill DoD twice a month for services rendered; thus reducing the lag time between payments and cash receipts.

In addition, GSA re-engineered some of its business practices, resulting in improved customer ordering processing and improved billing accuracy. Other efforts include reducing discretionary costs, improving net operating results of the IT Fund, and improving the working capital position of the Fund to ensure financial stability.

Workforce Planning

GSA struggles with two significant problems—loss of institutional memory stemming from senior management attrition and an aging workforce eligible for retirement. As the GSA workforce has become smaller through downsizing, restructuring, buyouts, and attrition, its average age has increased to 46.5 years—slightly higher than the Government-wide average. Only five percent of GSA's workforce is less than 30 years old. By the end of FY 2005, 29 percent of the workforce will be eligible for regular retirement and an additional 23 percent for early retirement. GSA's remaining associates, including those recently hired, have shown considerable initiative in taking on all the responsibilities of the agency, and GSA scores remarkably high for employee job satisfaction. Nonetheless, the agency's continuous downsizing over the past decade has resulted in a loss of institutional memory especially in key senior management areas. This has resulted in the movement of some associates into positions of increased responsibility without adequate training or experience. The competencies that GSA will need in the future are similar to those needed today—project, acquisition, and financial management skills, as well as leadership and business acumen. GSA is addressing the "competency gap" through a comprehensive workforce planning effort that includes a nationwide recruiting strategy, college internships, leadership development, linking performance management to agency mission and goals, knowledge sharing, and use of contractors to supplement the expertise of GSA's workforce.

GSA Performance in FY 2001

GSA accomplished its mission at a high level of performance in most of its programs. Total obligations for these programs were \$18 billion in FY 2001, a 12 percent increase over the \$16.1 billion in FY 2000. GSA's key performance measures are in the areas of cost control, customer satisfaction, meeting socioeconomic responsibilities, and E-Government.

The differences in GSA's services and their own broad mandates make it necessary to look at a variety of measures to ascertain the agency's overall performance results. GSA identified 11 key performance measures for PBS, FSS, and FTS operations.

KEY PERFORMANCE MEASURES

	FY00 Actual	FY01 Actual	FY01 Goal
Goal 1: Promote Responsible Asset Management			
Generate a capital investment contribution of 2.5-4.5 percent of the functional replacement value (FRV) of the PBS owned inventory	3.7%*	3.5%	3.1%
Reduce the amount of non-revenue producing space in the PBS Government-owned inventory to 12 percent in FY 2001	12.2%	11.8%	12.0%
Maintain PBS building operations costs in office and office-like space to 12 percent below private sector benchmarks	17%	16%	12%
Reduce costs while expanding FSS supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by over 6 percent	\$2.35	\$2.36	\$2.37**
Goal 2: Compete Effectively for the Federal Market			
Provide quality FTS products and services at competitive prices and achieve significant savings for Federal agencies by reducing the monthly average line rate	\$19	\$18	\$17
Goal 3: Excel at Customer Service***			
Improve overall PBS customer satisfaction with GSA-owned space to an overall 82 percent in FY 2002	81%*	86%	82%
Achieve a customer satisfaction rating in all PBS leases of 82 percent	80%	85%	82%
Increase customer satisfaction with FSS supply and procurement programs	72%	75%	72%
Be customer centric – reduce FTS acquisition cycle times (number of days from quote to award)	11	7	10
Goal 4: Meet Federal Social and Environmental Objectives			
Promote socioeconomic goals by increasing the proportion of dollars awarded to small and small disadvantaged businesses	N/A	38%****	38%
Goal 5: Anticipate Future Workforce Needs			
Increase the number of FSS products and services available to Federal customers via electronic systems and Internet connectivity	35%	77%	95%

* Revised from FY 2000

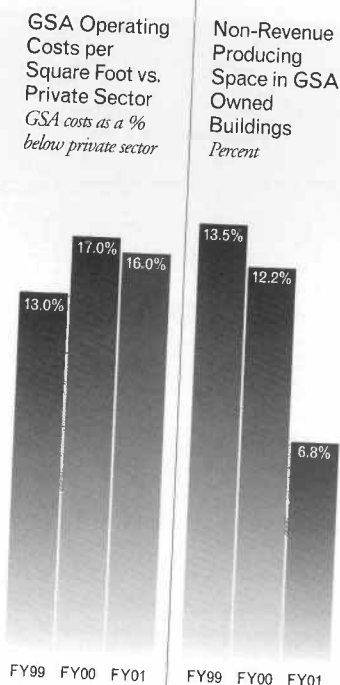
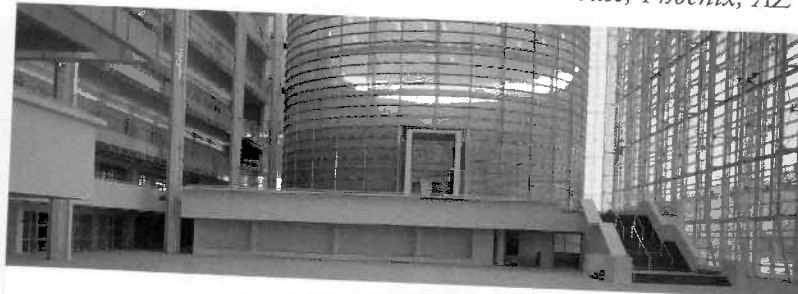
**Target of \$2.37 was appropriate since FY 2001 was a period of transition and increased costs were anticipated from splitting supply and procurement into separate business lines

*** In the past, FTS has obtained information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods. The objective is to better understand customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. Past survey efforts consisted of professional surveys specifically tailored to our IT Solutions and Network Services business lines and various programs. FTS had planned to utilize this same survey effort during FTS 2001; however, FTS decided to discontinue the use of the types of surveys that it has done in the past. FTS has worked with GSA management to significantly improve its performance goals and associated measures to more accurately reflect the vision of FTS and GSA leadership. The new FTS measures provide a focus that will assist FTS in guiding the organization toward achievement of the FTS and GSA vision. This vision will be clarified through the FTS Blueprint Project, and it will include professionally developed and administered customer survey efforts as part of this effort.

**** Confirmation data from the Small Business Administration will be available February 2002.

GSA PUBLIC BUILDINGS SERVICE

U.S. Courthouse, Phoenix, AZ



The GSA Public Buildings Service's vision is to be recognized as the best public real estate organization in the world and to provide quality work environments for Federal employees, as well as superior value for the American taxpayer. Each GSA office building, laboratory, and courthouse is a symbol of American democracy, a significant public investment that must contribute to the vitality of its neighboring community. To achieve this vision, PBS improved its internal business practices by implementing accountability standards, maintaining internal benchmarks against commercial standards, and meeting financial and performance targets. By managing for results, PBS efficiently and effectively manages and maintains its workplace solutions. PBS works diligently to improve how its customers and private partners perceive GSA. PBS aims to be the provider of choice for Federal agencies, to help Federal agencies utilize real estate more efficiently, and to provide lasting value in everything it does.

To continue GSA's tradition as an innovator in design and construction, PBS' internationally recognized Design and Construction Excellence programs engage the best private sector architects, construction managers, and engineers to design and build award-winning courthouses and office buildings. This year was the tenth anniversary of the Design Excellence program, and the first time projects initiated under the program were eligible to receive Design Awards. Three new courthouses in Las Vegas, Phoenix, and Central Islip received *Honor Awards*, the highest award given.

Key Performance Measures

PBS constantly strives to improve its financial performance to save taxpayer money. One of the ways PBS measures financial results is by the implementation of a performance measurement program. One of the key measures is Funds from Operations (net income minus depreciation), which measures how efficiently regions are operating. Another measure estimates the value of space that is not producing revenue so PBS can minimize space that does not have tenants. In FY 2001, 7.7 percent of the inventory was non-revenue producing space, which is 6.8 percent of potential revenue.

Major Management Challenges

The age of buildings in the PBS inventory is a significant management concern for GSA. Over 41 percent of Government owned buildings are 50 or more years old. Of these buildings, 35 are National Historic Landmarks; 166 are on, or eligible for, the National Register at the National, State, or local level; and 74 buildings are potentially eligible for the National Register. In addition, over 150 buildings are 50 or more years old that have not been evaluated for National Register eligibility, but would likely qualify. GSA must preserve these national treasures for future generations. Obtaining the resources to manage the approximately \$4.2 billion backlog of building maintenance and repair work remains GSA's biggest financial challenge. Financial resources available to PBS are well short of the capital reinvestment needs of the current portfolio. Generation of net income and funds from operations are markedly concentrated in only a portion of the owned inventory. GSA has made a commitment to Congress to institute an overall portfolio strategy to restructure the owned inventory so that it consists primarily of strong income-producing properties generating sufficient funds to meet their own capital reinvestment needs.

Real Property Disposal

GSA is working to identify and implement strategies and tools that promote efficient use of property slated for disposal and to provide flexible options that will satisfy the needs of agencies, communities and

taxpayers. GSA is part of a three-way partnership with the National Park Service and the United States Coast Guard to dispose of historic lighthouses and light stations using the National Historic Lighthouse Preservations Act of 2000. GSA was also responsible for the successful disposition of the Lorton Correctional Complex in Fairfax County, Virginia this

year. GSA had both custodial and disposal responsibility for this site and was able to ensure that the majority of the property will be used for recreation and open space.

Federal Protective Service

As a building manager, GSA is vigilant about the safety and security of Federal employees and visitors to Federal properties. FPS has enhanced training for its security and law

enforcement personnel, standardized security guard contracts and increased the number of Criminal Investigators and Law Enforcement Security Officers.

As a result of the bombing at the Murrah building in Oklahoma City and the terrorist attacks in New

York and at the Pentagon, FPS intensified its efforts to protect Federal employees and buildings. To aid in Federal building threat identification, FPS implemented annual Regional Threat Assessments (RTA). An RTA is an internal management tool that examines various factors to determine the major threats to GSA buildings. In addition to increased security, GSA's Office of the Chief Architect completed a report to Congress on window glass fragmentation, developed an evaluation program of construction contractors, developed GSA standards for blast analysis, and conducted 12 construction peer reviews.



Over 41 percent of Government owned buildings like the Dwight D. Eisenhower Executive Office Building are 50 or more years old. Of these buildings, 35 are National Historic Landmarks, and hundreds are either on or eligible to be on the National Register. GSA must preserve these national treasures for future generations.

GSA FEDERAL SUPPLY SERVICE

The GSA Federal Supply Service manages the largest, most diverse and innovative Federal marketplace in the world, bringing hundreds of thousands of Federal customers together with over 9,000 contractors. FSS' total business volume in FY 2001 was approximately \$19 billion (excluding Utilization and Donation cost avoidance activity which was included in previous annual report submissions). FSS programs provide customers with economical, efficient, and effective service delivery with significant savings in time and administrative costs. FSS carefully manages its procurement and supply, vehicle acquisition and leasing, travel and transportation, and property management programs, incorporating new technology and other innovations to enhance business practices and processes.

Through the organization's \$16.8 billion Multiple Award Schedules Program, FSS provides customers with access to more than four million professional services and commercial products. For example, FSS offers Management, Organizational and Business Improvement Services (MOBIS) contracts that provide process improvement, problem resolution, planning surveys and project management and training services. In FY 2001, MOBIS service purchases totaled more than \$1 billion. A few examples of FSS' commercial products with related services include information technology, furniture, office supplies, scientific equipment, and hardware and appliances. FSS also offers its customers full-service catalog ordering for an array of commercial items. Through FSS' commercially based, global delivery network, its supply distribution system shipped nearly nine million orders worldwide.

By leveraging more than \$1 billion in annual purchasing power and cost effectively managing a fleet of more than 180,000 vehicles, FSS is able to supply economical vehicle acquisition and leasing. The Fleet maintains an extensive variety of vehicles, including 24,849 alternative fuel vehicles.

FSS' travel program offers total travel solutions, including travel agency services, discount airfares, and travel charge cards. Transportation programs include employee relocation, express small package delivery, and freight and household goods transportation services. Many transactions are now

being conducted online, resulting in the elimination of paper processes, while leveraging administrative, financial, and information technology best practices.

Through the personal property disposal system, FSS redistributes excess Federal property among Federal agencies, donates surplus property to local and state governments and non-profit organizations, and sells surplus property to the public.

Internet Based Services

GSA Advantage!™, an award-winning online ordering system with 35,000 transactions daily, offers online access to over 2.4 million services and products. In FY 2001, FSS made important enhancements to GSA Advantage!™ that will simplify procurements and leverage previous technology investments.

Key Performance Measures

FSS works to increase customer use of its programs to maximize service to Federal agencies and enhance taxpayer return on investment. In FY 2001, the volume of supply and procurement purchases was \$17.9 billion—a significant increase from \$16.3 billion in FY 2000. FSS also strives to reduce costs while expanding supply and procurement support to Federal agencies. In FY 2001, the cost per \$100 sales was \$2.36. FSS continues to manage its business efficiently, minimizing in-house expenses while increasing outsourced business volume.

FSS also uses its enormous buying power to achieve significant discounts. In FY 2001, FSS Airline City-Pairs contracts saved Federal agencies an average of 70 percent off the commercial value of each fare. Annual savings totaled approximately \$2.8 billion. For vehicle acquisitions, FSS continued to save customers 20 percent off the invoice prices

listed in the *Black Book Lease Guide*. The automotive industry recognizes the *Black Book* as the authoritative baseline for invoice and retail prices. For freight and household goods transportation services, FSS saved customers 46 percent (\$53.1 million) and 54 percent (\$92.5 million), respectively.

FSS actively promotes the Government's

socioeconomic goals and provides support for natural disaster relief and national defense efforts. To this end, FSS reaches out to the small business community to increase its participation in Government contracting. In FY 2001, GSA awarded 78 percent (7,387) of the contracts in the Multiple Award Schedules Program to small businesses. FSS also provided over \$49 million in fire suppression equipment and supplies to support the U.S. Forest Service's wild land fire-fighting efforts.

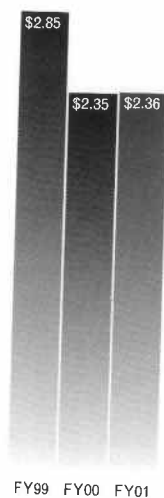
Major Management Challenges

FSS initiatives have been designed to take advantage of private sector practices, improve

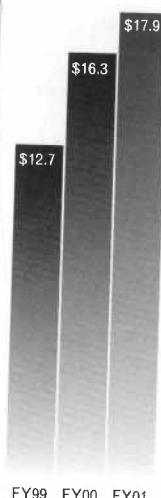
performance, and create a culture that encourages excellence and teamwork. In FY 2002, FSS will enhance its performance management system and cascade corporate measures down to work units. Data verification and validation issues for calculating established measurement targets are the greatest FSS management challenges.

The constant churn and turbulence within the travel and transportation sector is a continuing area of focus for FSS. Commercial transportation and shipping offerings change frequently due to emerging technologies, as well as security concerns, especially in the wake of terrorist activity within the United States. Balancing the management of these concerns with increasing customer demands for

Supply and Procurement Cost per \$100 Sales
Cost per \$100 Sales



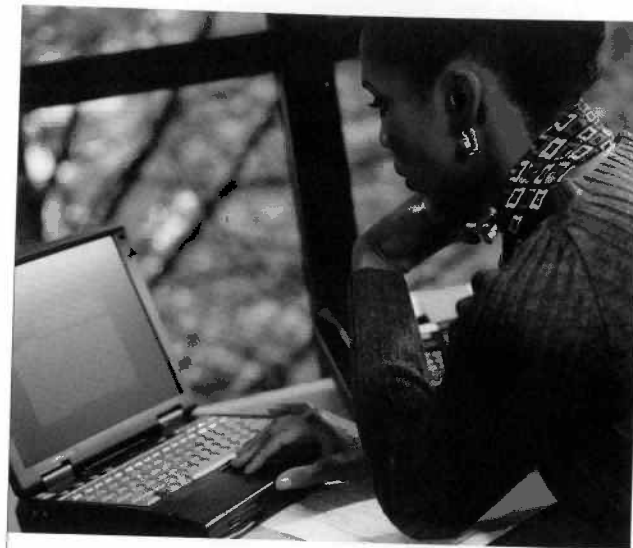
Supply and Procurement Business Volume
Dollars in Billions



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convenience and speed is a major challenge. FSS will meet this challenge with online tools and integrated solutions. End-to-end travel solutions will include online authorization and approval, electronic booking, travel agent services, and travel vouchering and payment services. Web-enabled transportation solutions will allow agencies to seamlessly integrate all transportation procurement, payment, and audit functions.

Federal agencies want customized "virtual stores" designed to reflect their preferences. The challenge is for FSS to offer this customization while satisfying acquisition regulations. In FY 2002, FSS will make this possible by linking the vast array of Multiple Award Schedule contracts through new capabilities in the upgraded GSA Advantage!™.



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GSA FEDERAL TECHNOLOGY SERVICE



The GSA Federal Technology Service provides cost-efficient tailored solutions and world-class services to support its customers' missions worldwide. FTS provides local and long-distance telecommunications services, IT solutions, and information security services to Federal agencies and other authorized entities, such as the Native American Tribal Nations, on a fee-for-service basis.

As a customer-centric organization, FTS delivers superior customer service by fully understanding customers' requirements and delivering industry solutions. Customer Action Teams focus on supporting customers' constantly evolving missions. Using customer relationship management tools, FTS associates share customer information resulting in better customer service. At the same time, FTS provides advanced training for associates, challenging work environment, and other associate-centric initiatives.

Key Performance Measures

FTS operations are financed on a reimbursable basis through the Information Technology Fund. Less than one percent of FTS activities—only \$8 million in FY 2001—are funded by congressional appropriations directly to the Policy and Operations Account of GSA. FY 2001 revenue was \$6.2 billion, an increase of more than 21 percent over FY 2000.

FTS met or exceeded its FY 2001 targets for the following performance goals:

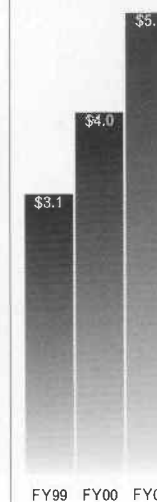
- Small business volume equaled 29 percent of prime contracts, over the 26 percent goal
- The FTS business volume as a percent of the Federal IT market was 15 percent, which meets the target of 15 percent
- The average number of days to award task and delivery orders over \$2,500 from request for quotation to award was 7 days, which is faster than the goal of 10 days
- Number of industry partnerships using FTS contracts of 296, which is higher than the goal of 186
- Number of industry partnerships using other GWACs of 44, which is higher than the goal of 33
- Outbound switched voice rates of 3 cents per minute, which is lower than the goal of 3.51 cents.

Network Services Business Volume
Dollars in Billions

Local
Long Distance



IT Solutions Revenue
Dollars in Billions



FTS Business Lines

GSA's two technology business lines are Network Services and IT Solutions. There is substantial coordination and interaction between the two business lines because of the growing relationship between telecommunications and integrated IT solutions.

Network Services Business Line

GSA provides end-to-end telecommunications services, supporting local and long-distance Federal users. Network Services revenues for FY 2001 totaled \$1.1 billion, slightly higher than the FY 2000 total of \$1 billion. This is a significant accomplishment considering the price reductions being achieved through aggressive pricing competition by local and long distance carriers.

FTS also provides local voice and data telecommunications services to Federal agencies nationwide. FTS provides switched services through more than 400 local telecommunications systems that offer customers state-of-the-art products and services. GSA achieved significant cost savings in FY 2001 through its local telecommunications program, which primarily includes the MAA and the Washington Interagency Telecommunications System (WITS). MAA contracts deliver immediate and substantial price reductions in local telephone markets by taking advantage of increased competition as permitted by the Telecommunications Act of 1996. With MAA contracts awarded in 21 cities nationwide thus far, FTS offers customers the potential to significantly reduce costs. WITS provides up-to-date and cost-effective communications services to all Federal agencies and other authorized users in the

Washington, DC, metropolitan area. WITS2001 serves 70 percent of the Federal agencies in the area. In FY 2001, WITS provided switched voice and data services to more than 349,794 Federal users.

Within the long distance arena, FTS completed the transition to FTS2001 this past fiscal year. Transitioning 138 customer agencies required the execution of a complex logistics plan that included emergency procedures, planning, testing, and project management support. The FTS2001 program provides Federal agencies integrated voice, data, video, and wireless telecommunications, as well as flexible billing options and direct access to industry partners. The cost of Federal long-distance services declined from an average 27 cents per minute in FY 1988 to 3 cents per minute in FY 2001 under FTS contracts.

FTS provides local voice and data telecommunications services to Federal agencies nationwide. FTS provides switched services through more than 400 local telecommunications systems that offer customers state-of-the-art products and services.



This Web-based electronic purchase and order-tracking system supports approximately 1,800 customers, vendors, and FTS staff. ITSS fully automates the procurement process, allowing users to place, award, and track orders for any IT product or service over the Internet—from any place, at any time.

Office of Information Assurance and Critical Infrastructure Protection

The Office of Information Assurance and Critical Infrastructure Protection (OIACIP) is the only operational unit within FTS that is fully funded through a direct appropriation through the Policy and Operations Account of GSA, which totaled \$8 million for FY 2001. This program assists the Federal community in meeting the challenges of securing operations in the open systems environment of the Internet. OIACIP programs include the Federal Computer Incident Response Center, the Federal Public Key Infrastructure Steering Committee, and Federal PKI Policy Authority/Federal Bridge Certification Authority.

Major Management Challenges

The perception that MAA Program fees are too high constitutes a major management challenge for FTS. As the cost of local service dramatically decreases, FTS overhead appears disproportionate to service cost. To attack this problem, FTS plans an independent study to evaluate costs of performing FTS-like activities and plans to initiate a campaign to raise awareness of FTS value. Improving the MAA implementation progress is also a significant challenge for FTS. FTS will continue to emphasize its cradle-to-grave support that allows agencies to concentrate on core missions. FTS will also increase its dialogue with industry, the Federal Communications Commission and State Public Utilities Commissions.

GSA OFFICE OF GOVERNMENTWIDE POLICY



In FY 2001, the GSA Office of Governmentwide Policy's performance goals continued to center on GSA's roles in building and maintaining a policy framework, identifying best practices and providing education and training.

Federal and GSA Acquisition Policy

OGP conducted the first Federal Acquisition Conference, co-sponsored by the Procurement Executives Council in April 2001. New Government-wide acquisition performance measures resulted from this initiative. OGP completed phase one of a Government-wide acquisition knowledge management portal. The portal will enable acquisition professionals from both the public and private sectors to access and share various kinds of acquisition information, and promote the use of innovative acquisition processes.

OGP established the Federal Procurement Data System Reengineering Program Office to provide Federal managers with a cost-effective and reliable acquisition management information system. Performance indicators included schedule and quality of acquisition tools and timeliness and usefulness of acquisition regulations.

Electronic Government

GSA continued to promote citizen-centered electronic services by designing, prototyping and evaluating technologies to protect citizen information, as well as expanding the use of Government smart card services. OGP coordinated E-commerce initiatives across Government including authentication for online transactions using public key infrastructure interoperability between agencies; developing new technical standards; and sponsorships of electronic grants initiatives.

GSA developed *FedBizOpps.gov* to be the single source for Federal Government procurement opportunities above \$25,000. Businesses now have universal Internet access to Federal business opportunities, including solicitations and other solicitation attachments. Through one portal, companies wanting to do business will be able to

search for opportunities throughout the entire Federal Government. Government buyers can publicize business opportunities by posting information directly to the system. Industry can register to receive automatic notices for specific types of items or services or changes to specific notices. The site lists over 95 percent of all Federal opportunities. It received well over 5 million hits a month in FY 2001, and had over 120,000 individuals registered to receive notices. Some 40 agencies now participate in posting opportunities to *FedBizOpps*.



Transportation and Personal Property

The Office of Transportation and Personal Property (OTPP) has had numerous accomplishments. OTPP's Computers for Learning Web site facilitated transfer of more than 100,000 pieces of excess computer equipment from Federal agencies to schools across the nation.

Under the guidance of OTTP, GSA joined with most of the Federal agencies that operate nonmilitary aircraft in signing an unprecedented Federal Safety Standards Agreement that promotes a comprehensive aviation safety program.

During FY 2001, OTTP rewrote a number of travel, personal property and transportation regulations. The new transportation regulations move the Government toward auditing transportation invoices before they are paid; they also move the Government toward retiring the 94 year-old Government Bill of Lading in favor of standard commercial practice, with potential annual savings of \$60 million in administrative costs.

Regulatory Information Service Center (RISC)

During FY 2001, RISC continued to maintain a comprehensive Internet site on regulatory information, *Reginfo.gov*, that provides links to sources of information on Federal, state, and local regulations. These include databases and search tools for legislation and regulations, Federal agency

home pages, and information about pending and recently completed Office of Management and Budget (OMB) regulations. RISC is upgrading the computer systems OMB uses to review agency regulations under Executive Order 12866,

and information collection submissions under the Paperwork Reduction Act.

Management Challenges

OGP faces significant challenges

in the future. The organization must clear the backlog of current acquisition regulations; gain funding for completion of acquisition tools; and effectively deal with acquisition workforce issues, including succession planning, training and education, and provision of tools. In conjunction with DoD and NASA, OGP plans to reengineer the process by which acquisition regulations are developed. OGP will establish a succession plan for GSA acquisition workforce, identify needed competencies and skills in that workforce, develop training and education to acquire those skills, and measure to determine whether the skills have been acquired and performance has been improved. OGP must also make significant strides to guide agencies toward accepting and using technology to deliver citizen services.

Through its Computers for Learning Web site, the Office of Transportation and Personal Property has facilitated transfer of more than 100,000 pieces of excess computer equipment from Federal agencies to schools across the nation.

This chart provides GSA's performance goals and measures—the baseline performance in FY 2000, the FY 2001 target and the actual performance in FY 2001 against the target for the year. The following symbols are provided as a quick indicator of performance on each goal.

- ▲ indicates that GSA's performance exceeded target
- ✓ indicates that GSA met the target
- ▼ indicates that GSA did not meet the target
- N/A indicates that GSA's performance against that goal could not be measured, either because a target had not been established or because measurement had not been completed.

In some cases, goals, measures, baselines or targets have been revised since the GSA FY 2000/2001 Performance Plan was adopted. The performance measures reported in the Annual Accountability Report are consistent with the results reported in the GSA Annual Performance Report for FY 2001, which are summarized here. The full text of this report will be submitted to Congress in a separate document.

Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
Revenue and Investment					
Generate a capital investment contribution of 2.5-4.5 percent of the functional replacement value (FRV) of the owned inventory	Contribution to capital as a percent of FRV	3.7%*	3.5%	3.1%	▲
Reduce the amount of non-revenue producing space in the Government-owned inventory from 13 percent in FY 2000 to 12 percent in FY 2001	Percent of Government-owned inventory not producing revenue	12.2%	11.8%	12.0%	▲
Maintain the amount of non-revenue producing space in the leased inventory at 3.0 percent in FY 2001 and FY2002	Percent of non-revenue producing leased space	3.3%	2.7%	3.0%	▲
Real Property Operations					
Maintain building operations costs in office and office-like space to 12 percent below private sector benchmarks	Percent difference between GSA's operating cost per square foot and the private sector costs	17%	16%	12% below	▲
Reduce indirect costs as a percentage of revenue from 10.1 percent in FY2001 to 10.0 percent in FY2002	Indirect costs as a percent	10.2%	10.5%	10.1%	▼
Improve overall customer satisfaction to an overall 82 percent in FY2002	Percent of tenants that rate GSA-owned space as satisfactory or better	81%*	86%	82%	▲
Improve to an overall 85 percent customer satisfaction level with GSA's protective services in FY 2002	Percent of tenants that rate GSA's protective services satisfactory or better	84%	N/A**	85%	N/A
For FY 2002, realize an annual reduction of 2.5 percent in the Regional Threat Composite Index from the baseline established at the start of FY 2002	Reduction in the Regional Threat Composite Index	N/A	26%	2.5%	▲
Improve energy reduction from 22 percent below the FY1985 baseline in FY2001 to 24 percent below in FY2002	Percent reduction from FY1985 baseline	20%	18.4%	22%	▼
Leasing Operations					
Keep the cost for new GSA leased office space under the average for each of the four aggregate market ranges we track in FY2002	Cost for leased space for each of the four aggregate markets	N/A	Below industry average	Below industry average	✓

* See footnotes on page 107

	Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
PBS	Reduce the loss on operating leases to \$21.2 million	Loss on operating leases	\$66.2 million	\$57.2 million	\$46.2 million	▼
	Achieve a customer satisfaction rating in all leases of 82 percent with 86 percent or higher in newly leased space in FY 2002	Percent of tenants that rate leased space and services as satisfactory or better	80%	85%	82%	▲
	Construction and Acquisition		85%	N/A**	86%	N/A
	Improve the percentage of construction projects completed on schedule from 60 percent in FY2001 to 65 percent in FY2002	Percent of construction projects completed on schedule (weighted by cost)	46%	75%	60%	▲
	Reduce the cost escalation rate for new construction projects to 1 percent in FY 2001 and FY 2002	Total cost of construction projects over \$10 million projects completed as a % of original appropriation	5.7%	2.3%	1%	▼
	Maintain a 90 percent customer satisfaction rating in newly constructed buildings	Percent of satisfied customers	86%	89%	90%	▼
	Repairs and Alterations					
	Improve the percent of repair and alterations projects completed on schedule from 78 percent in FY2001 to 82 percent in FY2002	Percent of total dollars of R&A projects over \$10 million completed on schedule	80%	80%	78%	▲
	Maintain the cost escalation rate for repairs and alterations projects at 1 percent	Total cost for R&A projects over \$10 million completed as a percent of original appropriation	1%	0%	1%	▲
	Property Disposal					
FSS	Improve annual cycle time to 335 days for property subject to the Property Act of 1949	Cycle time in days	N/A	174 days	335 days	▲
	Improve the dollar returned to dollar spent ratio from \$16:1 in FY2001 to \$17:1 in FY2002	Ratio of dollar returned to dollar spent	16:1	18:1	16:1	▲
	Supply and Procurement					
	Reducing costs while expanding supply and procurement support to Federal agencies, thereby reducing the cost per \$100 sales by over 6 percent	Cost per \$100 sales	\$2.35	\$2.36	\$2.37***	▲
	Increase Federal agencies' use of GSA sources of supply by 7 percent over FY 2001 by providing additional products and services and by making it easier to access them	Dollar volume of GSA supply and procurement programs	\$16.3 billion	\$17.9 billion	\$16.4 billion	▲

See footnotes on page 107

	Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
FSS	Promote socioeconomic goals by maintaining the current proportion of Schedules contracts awarded to small businesses	Percent of Schedule contracts awarded to small business	77%	78.1%	77%	▲
	Increase customer satisfaction with supply and procurement programs	Percent of responses in the "highly satisfied" category	72%	75%	72%	▲
	Increase the number of products and services available to Federal customers via electronic systems and Internet connectivity	Percent of Schedule contracts accessible through GSA Advantage!™	35%	77%	95%	▼
	Vehicle Acquisition and Leasing					
	Achieve an average 20 percent savings over commercial "Black Book" prices on compact sedans	Percent saved compared to "Black Book" price	27%	20%	20%	✓
	Save taxpayers money by consolidating additional vehicles into GSA's fleet	Savings through vehicle consolidation	\$4.1 million	\$3.9 million	\$3.7 million	▲
	Hold annual increases in the cost per mile for GSA Fleet operations at or below the weighted Industry inflation rate	Increase in overall cost-per-mile	8.6% CPM vs. 9.48% inflation rate	6.14% CPM vs. 5.83% inflation rate	3.1% CPM vs. 3.1% inflation rate	▼
	Increase GSA's share of Federal fleet	Percent of Federal fleet operated by GSA	46%	49.5%	47%	▲
	Meet or exceed customer expectations	Percent of respondents giving a "highly satisfied" rating	N/A	N/A	79%	N/A
	Fill 100 percent of requests for alternative fuel vehicles	Percent of requests filled	100%	100%	100%	✓
FSS	Travel and Transportation					
	Achieve significant savings on Federal travel as compared with commercial prices	Savings on Government travel as a percent of the total commercial value of the same travel	70%	70%	65%	▲
	Reduce Government's transportation costs by recovering or avoiding excess charges through pre- and post-payment audits of freight and transportation charges	Increase cost avoidance due to pre-payment audits	\$4 million	\$13 million	\$5 million	▲
		Decrease collections from post-payment audits	\$19 million	\$13.6 million	\$13 million	▼
	Achieve significant savings of 45 – 52 percent compared to commercial rates for shipment of freight and household goods, and for small package express delivery services	Percent savings from commercial rates: Freight Household Goods Small package express	46% 52% 45%	46% 54% 45%	46% 52% 45%	✓ ▲ ✓

	Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
FSS	Increase customer satisfaction with FSS transportation programs	Percent highly satisfied: Freight Household goods Travel management	67% 88% 59%	84% 83% 74%	69% 88% 61%	▲ ▼ ▲
	Increase the percentage of audits performed electronically	Percent of audits performed electronically	40%	50%	50%	✓
	Personal Property Management					
	Maximize cost avoidance through reutilization and donation of excess Federal personal property	New expenditures avoided through reutilization and donations of excess personal property	\$3.2 billion	\$1.6 billion	\$1.6 billion	✓
	Control costs while effectively performing utilization, donation and sales services	Dollar volume of Utilization/Donation transfers per FTE Sales proceeds per FTE	\$30.2 million \$1.49 million	\$16.4 million \$0.81 million	\$15.2 million \$0.62 million	▲ ▲
	Increase customer satisfaction with Personal Property Management services	Percent of respondents who report being "highly satisfied"	68%	72%	68%	▲
	IT Solutions and Network Services					
	Assist Federal agencies in achieving significant savings by providing high quality products and services at competitive prices that the demand for IT Solutions increases our overall business volume thereby resulting in a larger share of the Federal market	Total business volume as a percent of the Federal IT market	14%	15%	15%	✓
	Maintain an employee-centric environment where employees thrive	Percentile of FTS associates satisfied or very satisfied with FTS internal communications	74%	N/A	72%	N/A
	Be customer centric – reduce acquisition cycle times	Average calendar days to award task and delivery orders over \$2,500	Quote to Award 11 Notice to Proceed N/A	Quote to Award 7 Notice to Proceed 31	Quote to Award 10 Notice to Proceed 15	▲ ▼
FTS	Achieve and maintain an appropriate level of full cost recovery to maximize service to Federal agencies and affect the greatest advantage to the Government	Cover FTS costs, excluding reserve use and those costs not recovered from the rates	\$13 million	\$19 million	0	✓

	Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
FTS	Be customer centric—increase customer satisfaction with FTS representatives and products/services	Percent of customers indicating satisfaction with FTS reps and programs, products, and services in annual FTS surveys	76%	N/A****	77%	N/A
	Increase the number of industry partnerships by making available new sources that can provide state-of-the-art equipment and workplace environments to meet the needs of the mobile Federal worker	Number of agency partnerships: FTS Contracts Schedules Other GWACS	177 293 7 31	296 306 4 44	186 308 7 33	▲ ▼ ▼ ▲
	IT Solutions and Network Services					
	Achieve and maintain an appropriate level of procurements with small business as a percent of prime contracts	Percent of procurements with small business as compared to total contracts	36%	29%	26%	▲
	Network Services					
	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing long distance prices	Outbound switched voice rates --rates per minute	4.70 cents	3.00 cents	3.51 cents	▲
	Provide quality products and services at competitive prices and achieve significant savings for Federal agencies by reducing the average monthly line rate	Average monthly line rate	\$19	\$18	\$17	▼
	Governmentwide Policy					
	Organize, lead and collaborate with Federal agencies through interagency working groups to implement Federal laws and Executive Orders and address government-wide issues	Number of areas with OGP supported interagency committees	12 of 12	12 of 12	12 of 12	✓
	Maintain up-to-date policies and guidelines for those areas within OGP's responsibility	Percent of planned regulatory changes completed	93%	100%	100%	✓
OGP	Ensure that all OGP employees have the necessary knowledge and skills to support the organization's mission	Percent of employees at basic level or higher in critical competency areas	N/A	TBD	TBD	N/A
	Identify and publish best practices for those areas within OGP's responsibility	Number of initiatives that promote improved management Number of agencies participating in pilots or applying leading practices	42 161	45 295	49 237	▼ ▲

	Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
OGP	Develop and promote performance measurement systems for Government-wide use	Number of areas with performance measurement systems	11 of 12	12 of 12	12 of 12	✓
		Number of Federal entities using performance measures	N/A	218	203	▲
	Encourage innovation and increase employee satisfaction with OGP-wide communications, cooperation, and information assets	Employee satisfaction with the quality of work life in OGP	N/A	46%	TBD	N/A
	Improve accessibility to shared databases and information on best practices and policies for government, industry and the public's use	Number of information systems accessible via the Internet	9 of 9	9 of 9	9 of 9	✓
	Develop partnerships to share resources	Number of partners contributing resources to support OGP initiatives	60	171	78	▲
		Dollars from outside OGP supporting OGP initiatives	\$3.1 million	\$15 million	\$6.0 million	▲
	Governmentwide Improvement Initiatives					
	Improve customer satisfaction	Customer satisfaction with OGP's services	N/A	82%	TBD	
	Establish policies, standards and best practices to help develop an interoperable, single face for Government electronic business transactions	Number of solutions and best practices	4	27	5	▲
		Number of Government-wide guidelines	3	12	4	▲
		Number of interoperability standards	5	5	5	✓
		Number of information sharing initiatives	5	11	6	▲
	Provide a centralized source of information on IT products that have been tested by users with disabilities pursuant to the accessibility standard mandated by Section 508 of the Workforce Investment Act	Number of EI&T classes with acceptable protocols	N/A	0	3	▼
	Assist Federal agencies where the products, services and infrastructure have not been implemented to meet the needs of persons with disabilities for a barrier-free IT environment	Number of projects that meet their goals	N/A	8	8	✓

	Performance Goals	Performance Measures	FY 2000 Actual	FY 2001 Actual	FY 2001 Target	FY 2001 Performance vs. Target
OGP	Establish and maintain a core curriculum of classroom and Internet-based courses and increase the number of training instances	New Internet courses developed	2	10	4	▲
		Number of training instances. (A training instance is defined as one person completing one course session)	2,800	32,487	20,000	▲
	Improve the professional skills of agencies' present and future IT leaders	Numbers of Federal IT professionals in IT leadership programs:				
		Students enrolled in "1,000 by 2,000"	1038	1062	1,000	▲
		Students completing Trail Boss seminars	110	N/A	N/A	N/A
		Participants at IRMCO	414	450	350	▲
		Number of participants in STAR	51	111	60	▲
		CIO University participants	40	103	100	▲
	Provide a "single point of entry" for industry to find opportunities to do business with the Federal government	Number of agencies using Electronic Posting System (FedBizOpps)	19	40	40	✓
	Provide a prototype Federal gateway to the Internet to make Government information more accessible to the public	Number of web sites linked to by the search database	1000	22,000	2,000	▲
GSA Office of Child Care	Maintain/increase enrollment from Federal families of 50% of the total nationwide	Number of children from Federal families as compared to the total	50%	50%	50%	✓
	Increase percent accreditation of all eligible GSA child care centers	Percent of eligible childcare centers accredited	88%	80%	85%	▼
	Increase the magnitude and quality of the outreach of Federal consumer information through the effective delivery of services to other Federal agencies, the print and broadcast media, and the public	Publications distributed	N/A	N/A	6 million	N/A
		Accesses of FCIC electronic products	N/A	N/A	10 million	N/A

* Revised from FY 2000

** Data available February 2002

*** Target of \$2.37 was appropriate since FY 2001 was a period of transition as supply and procurement were split into separate business lines

**** In the past, FTS has obtained information from customers through personal visits, focus groups, telephone interviews, surveys, and other methods. The objective is to better understand customers' needs, their levels of satisfaction with FTS services and products and FTS representatives, and why they do business with FTS competitors. Past survey efforts consisted of professional surveys specifically tailored to our IT Solutions and Network Services business lines and various programs. FTS had planned to utilize this same survey effort during FTS 2001; however, FTS decided to discontinue the use of the types of surveys that it has done in the past. FTS has worked with GSA management to significantly improve its performance goals and associated measures to more accurately reflect the vision of FTS and GSA leadership. The new FTS measures provide a focus that will assist FTS in guiding the organization toward achievement of the FTS and GSA vision. This vision will be clarified through the FTS Blueprint Project, and it will include professionally developed and administered customer survey efforts as part of this effort.